

**- Hall Calls Chrysler, GM Closings Counterproductive to Economic Growth-  
-Legislators Say They May Consider Legislation to Ensure Dealers and Employees are Treated Fairly -**

Washington, DC – U.S. Rep. John Hall (D-Dover) asked President Barack Obama today to force Chrysler and General Motors to reconsider their planned dealership closures. In a letter Hall wrote to the President with House Majority Leader Steny Hoyer and 100 other Representatives, Hall urged Obama to ask GM and Chrysler to delay final action on proposed closures pending further review of the decision to consolidate dealerships and the process by which Chrysler and GM selected the dealerships to close. "I have spoken with the dealership owners in my district that are on the closed list and they are turning profits and adding to Chrysler's bottom line," stated Congressman Hall. "From what they've told me, there is no apparent justification or criteria for why the companies are cutting them. Until GM and Chrysler can give us a good reason for these closures, these dealerships should be able to stay in business." Hall and the other legislators said that they may consider legislation in the House to ensure that dealers and their employees are treated fairly. Five Chrysler dealerships in Hall's district would be affected, as well as many others across the Hudson Valley. At least one General Motors dealership has been confirmed as closing so far. Nationally, General Motors plans on shutting down 1,100 dealerships, while Chrysler plans to drop 789.

"Right now we need to create jobs and revive our economy. The cutting of these dealerships and the job losses that would be caused are counterproductive to the economic growth and development that the Hudson Valley and America needs. The dealers I spoke to employ 30 – 40 people. Each auto dealership is a vital member of our community here in the Hudson Valley. Shutting them down will create a detrimental ripple effect throughout our local economy." The full text of the letter follows.

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The Honorable Barack Obama  
President of the United States  
The White House  
1600 Pennsylvania Avenue

Washington, D.C. 20500 Dear President Obama: We are writing to express our concerns about General Motors' and Chrysler's decision to close profitable automobile dealerships across the country, and urge you to ask GM and Chrysler to delay final action on proposed closures pending further review of the decision to consolidate dealerships and the process by which Chrysler and GM selected the dealerships to close.

Closing these dealerships will put over 100,000 jobs at risk at a time when our country is shedding jobs at an alarming rate. We also question the criteria being used to determine which dealerships should be closed and the fundamental fairness involved in this effort. It is our view that the market should make these decisions rather than leaving it up to the manufacturers whose poor leadership contributed to their demise. Furthermore, we believe car dealers will be key players in any effort to revive the American auto industry.

We believe the dealerships are one of the auto industry's key sources of strength and the

manufacturers should continue to honor their agreements and contracts. The dealerships, and their more than 1 million employees, form personal relationships with customers that often contribute to brand loyalty and will be key to General Motors' and Chrysler's recovery following this economic downturn. While we understand the desire to reduce the number of unprofitable dealerships, no one has yet sufficiently explained the need to close profitable dealerships.

We recognize that efforts by your Auto Task Force prevented the total liquidation of General Motors and Chrysler, as well as their dealership networks. We commend your efforts to help these businesses survive these challenging economic times. However, we are concerned that manufacturers are closing profitable dealerships to circumvent current contracts which could require expensive buy-outs under normal conditions. We are also concerned about allegations that dealers that have previously stood up for their rights against the manufacturers are being targeted by these closures. We believe that the forced closures of profitable dealerships needs to be scrutinized by the Task Force to prevent additional future financial losses to General Motors and Chrysler and job losses across the United States.

We may consider legislative proposals to ensure that dealers and their employees are treated fairly, and we look forward to your timely response.

Sincerely,

John Hall

cc: The Honorable Timothy F. Geithner, The Honorable Hilda L. Solis, Director Lawrence H. Summers